

MARICOPA COUNTY SELF-INSURED TRUST

BOARD OF TRUSTEES MEETING

301 W. Jefferson Street, Suite 3200
North Conference Room, 3rd Floor, Maricopa County Administration Building
Tuesday, April 26, 2016
Open Meeting Time: 11:00am

OPEN SESSION

MINUTES

TRUSTEES PRESENT: Rex Jorgensen, Beverly Dupree
(Telephonically): Brad Arnett, Helena Whitney

TRUSTEES ABSENT: Jim Steinkamp

STAFF PRESENT: Meg Blankenship, Christopher Bradley, Tawn Thornton,
Dave Hansen, Curtia Hunter-Richard

GUESTS: None

Curtia Hunter-Richard distributed a presentation folder to each Trustee and Staff member present. The folder included the meeting agenda, February 22, 2016 meeting minutes, the financial statements and the Maricopa County Benefits Plan Year presentation.

The Open Session meeting was called to order by Trustee Jorgensen acting on behalf of Chairperson Steinkamp at 11:06am. A quorum was present.

Approval of Meeting Minutes

Trustee Jorgensen called for the approval of the February 22, 2016 meeting minutes. No changes were identified. The motion to approve the minutes was made by Trustee Arnett and seconded by Trustee Whitney. The February 22, 2016 minutes were unanimously approved.

Presentation and Discussion – Review of Financial Statements

Dave Hansen presented a review of the current assets and liabilities related to the Employee Benefits Trust Fund as reflected in the following financial reports:

- Financial Commentary – March 2016
- Fund Balance Roll-Forward – Nine Months Ended March 31, 2016
- Statements of Revenues, Expenses, and Changes in Net Assets – YTD as of March 31, 2016
- Statements of Net Assets – March 31, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012
- Balance Sheet Details – March 31, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012
- Revenue and Expenses – Nine Months Ended March 31, 2016

The question by Trustee Dupree in reference to the Large Claims Payments in excess of \$50,000 was addressed and clarified. It was confirmed that Large Claims are always an unpredictable possibility that will impact the Forecast for the Plan's overall expenditures.

The question by Trustee Whitney in reference to the prescription activity as forecasted for the end of the plan year was addressed and clarified. The prescription activity, unlike the healthcare activity, is consistent throughout the plan year since most people take the same maintenance medications throughout the year. There are not normally any large claims that have the impact that large medical claims do.

The questions by Trustee Arnett in reference to the pharmacy budget line item for the past five years were addressed and clarified. The County confirmed that a historical report on the pharmacy costs for the past five years could be included in the Financial Statements as provided for the Benefits Board of Trustees. Pharmacy claims have increased by approximately 50% over the last three years.

Discussion ensued in reference to budgeting, projecting, and managing increases in pharmaceutical costs that impact employees and the Plan.

The question by Trustee Dupree in reference to the Cost Allocation Rate was addressed and clarified. The County Office of Management and Budget sets the Cost Allocation Rate - a per employee charge to each department based on the Employer costs for premiums.

Trustee Jorgensen recommended that the Benefits Staff create a color coded Financial Scorecard so that the Trustees have an at-a-glance view of the financials.

Presentation and Discussion – Administering Benefits on a Calendar Year Basis

Christopher Bradley presented information regarding the impact of moving employee benefits administration from a fiscal year to a calendar year. The County illustrated that administering benefits on a fiscal year basis has advantages to the County that outweigh any potential benefit of moving to a calendar year.

The question by Trustee Dupree in reference to the County's decision to change from calendar year to fiscal year in 2006 was addressed and clarified. The County needed to minimize unknown factors when planning the annual budget, so the move to a fiscal year was made in 2006 to align the benefits with the budget year.

Further discussion ensued on the administration of benefits on a calendar year basis to perhaps encourage employee participation in the H.S.A. and FSA due to the tax advantages of the plans.

Convene an Executive Session

Trustee Jorgensen called for a motion to move to Executive Session to discuss a subrogation claim. The motion was made by Trustee Dupree and seconded by Trustee Whitney. By unanimous vote, the Open Session meeting was closed to the public at 11:54 am and an Executive Session convened at 11:55 am.

The Open Session meeting resumed at 11:57 am, immediately following the adjournment of the Executive Session.

Trustee Jorgensen called for the motion to approve the settlement in Case ID # 20029420. The motion was made by Trustee Arnett and seconded by Trustee Dupree. The motion was approved unanimously.

Call to Public

Trustee Jorgensen made a Call to the Public. No one from the public was present.

Next Meeting Announcement

Meg Blankenship announced that the next scheduled Board of Trustees Meeting is scheduled for August 15, 2016.

Acknowledgment was made of the request by the Trustees to present benefits educational topics at future Board of Trustees Meetings.

Motion to Adjourn

Trustee Jorgensen called for a motion to adjourn. The motion to adjourn was made by Trustee Dupree and seconded by Trustee Arnett.

The meeting was adjourned at 12:01 pm.